



Memorandum

City Attorney

DATE: December 13, 2007

TO: Mayor and City Council

FROM: Andrew B. Ching, City Attorney (Ext. 8575)

SUBJECT: Municipal Property Corporation: Future Status

On Wednesday, November 7, I attended the annual meeting of the Municipal Property Corporation (MPC), held from 11:30 a.m. to 1:00 p.m. at the Mission Palms Hotel. The meeting centered around one main issue: Now that the final payment has been made and the lien has been discharged on the final bonding project executed by the MPC, namely the Ken McDonald Golf Course irrigation system bonded in 1992, has the MPC served its purpose and should it be dissolved. Staff explained to the MPC that the current state of the law allows for the City to directly finance capital projects in ways which were not available when the MPC was first organized for its purpose in 1968. Because there does not appear at this time to be any express need to continue to use their services, the MPC has scheduled a special meeting to discuss future plans, to overlap and partially coincide with the Council's regularly scheduled Issue Review Session. Their meeting starts at 5:30 p.m. and when the IRS starts at 6:00 p.m., they will temporarily adjourn and reconvene with the City Council. The Board may then vote to act upon any such Council direction.

As background material, I am attaching to this memorandum the Municipal Property Corporation's meeting notice and agenda for December 13, a copy of the Satisfaction of Indenture and Discharge of Liens for the Ken MacDonald irrigation system project, a copy of the Special Warranty Deed (unsigned version) which was filed after the November meeting, conveying title to the irrigation system back to the City of Tempe, as well as a document entitled "Short History of City of Tempe Municipal Property Corporation," prepared by their legal counsel Mr. John Wesley. Mr. Wesley and I will be available at the December 13, 2007 IRS to answer any further questions.

**NOTICE OF SPECIAL MEETING OF
BOARD OF DIRECTORS
OF
CITY OF TEMPE MUNICIPAL PROPERTY CORPORATION**

PLEASE TAKE NOTICE that a Special Meeting of the Board of Directors has been called and set for Thursday, December 13, 2007, at 5:30 p.m. at the Harry E. Mitchell Government Center, Public Works Administration Conference Room, Garden Level, 31 E. 5th Street, Tempe, Arizona.

A G E N D A

- 1. Call to order.*
- 2. Approve minutes of meeting held November 7, 2007.*
- 3. Discussion regarding (a) possible future activities of the City of Tempe Municipal Property Corporation, and (b) whether the City of Tempe Municipal Property Corporation should remain in existence or dissolve.*

Meeting temporarily adjourned, to reconvene in the City Council Chambers, Tempe City Hall, 31 E. 5th Street, Tempe, Arizona.

- 4. Meet in joint session with Mayor and City Council to discuss Item 3.*
- 5. Take actions and adopt an appropriate resolution based upon conclusions reached as a result of the discussions in Item 4.*
- 6. Adjournment.*

When recorded, mail to:
John C. Wesley
Attorney at Law
28621 N. 55th Street
Cave Creek, AZ 85331-2354

COPY
FOR YOUR INFORMATION ONLY

SATISFACTION OF INDENTURE AND DISCHARGE OF LIENS

KNOW ALL MEN BY THESE PRESENTS: That the Indenture executed by the

CITY OF TEMPE MUNICIPAL PROPERTY CORPORATION.

an Arizona nonprofit corporation

to

THE BANK OF NEW YORK TRUST COMPANY, N.A.

a national banking association (formerly known as

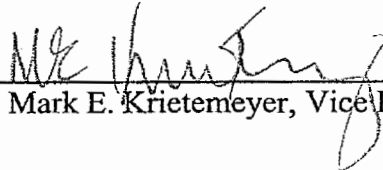
The Valley National Bank of Arizona), as **Trustee,**

dated August 1, 1992, recorded September 1, 1992, as Document No. 92-0490054 in the office of the County Recorder of Maricopa County, Arizona, together with the debt thereby secured, is fully paid and satisfied and the liens created thereby are hereby discharged in full.

Dated: October 30, 2007.

The Bank of New York Trust Company, N.A.

By

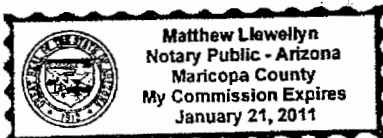

Mark E. Krietemeyer, Vice President


State of Arizona

County of Maricopa

This instrument was acknowledged before me this 30th day of October, 2007, by **Mark E. Krietemeyer**, Vice President of The Bank of New York Trust Company, N.A., a national banking association, on behalf of the association.

[SEAL and EXPIRATION]




Notary Public

When recorded, return to:
John C. Wesley
Attorney at Law
28621 N. 55th Street
Cave Creek, AZ 85331-2354

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars (\$10) and other valuable consideration, the **CITY OF TEMPE MUNICIPAL PROPERTY CORPORATION**, an Arizona nonprofit corporation, **GRANTOR**, does hereby grant and convey to the **CITY OF TEMPE, ARIZONA**, a municipal corporation, **GRANTEE**, the following described property situate in the City of Tempe, Maricopa County, Arizona, to wit:

All of Grantor's right, title and interest in and to the irrigation system at the municipally-owned and operated golf course known as the Ken McDonald Golf Course (described on **EXHIBIT A** attached hereto and made a part hereof), which irrigation system was renovated, constructed and acquired pursuant that certain **Purchase Agreement** dated August 1, 1992, recorded September 1, 1992, under **Recorder's No. 92-0490053**, records of Maricopa County, Arizona;

SUBJECT to any liens, encumbrances, easements, rights-of-way, charges, exceptions, reservations and restrictions not created or caused by Grantor, and to all laws, regulations and ordinances, Grantor warrants the title against all claims or persons claiming under or through Grantor, and no other.

Exempt from affidavit and fee per ARS § 11-1134.A.1. & 3.

Dated this 7th day of November, 2007.

CITY OF TEMPE MUNICIPAL PROPERTY CORPORATION

State of Arizona By _____
County of Maricopa Joseph C. Schabacker, President

The foregoing instrument was acknowledged before me this 7th day of November, 2007, by **JOSEPH C. SCHABACKER**, President of the City of Tempe Municipal Property Corporation, on behalf of the corporation.

[SEAL and EXPIRATION]

Notary Public

EXHIBIT A

Legal Description
Golf Course

Parcel No. 1

That part of the South Half of Section 10, Township 1 South, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at the South Quarter Corner of said Section 10; thence North $89^{\circ} 44' 29''$ West a distance of 455.26 feet to a point;
thence North $13^{\circ} 39' 12''$ East a distance of 732.12 feet to a point;
thence North $10^{\circ} 49' 12''$ East a distance of 14.54 feet to a point;
thence North $01^{\circ} 26' 43''$ East a distance of 590.00 feet to the North line of the Southeast Quarter of the Southwest Quarter of said Section 10;
thence South $89^{\circ} 48' 36''$ East a distance of 264.99 feet to the Northwest Corner of the Southwest Quarter of the Southeast Quarter of said Section 10;
thence South $89^{\circ} 48' 10''$ East a distance of 822.67 feet to a point;
thence North $45^{\circ} 05' 16''$ East a distance of 705.76 feet to a point on the West line of the Northeast Quarter of the Southeast Quarter of said Section 10;
thence North $00^{\circ} 01' 18''$ West a distance of 818.38 feet to a point;
thence South $89^{\circ} 52' 30''$ East a distance of 1322.01 feet to the East Quarter Corner of said Section 10;
thence South $00^{\circ} 03' 00''$ East along the East line of said Section 10 a distance of 290.05 feet to the Northeast Corner of TEMPE GARDENS EIGHTEEN, a subdivision of record in the office of the County Recorder of Maricopa County, Arizona, in Book 163 of Maps, page 23;
thence North $89^{\circ} 43' 50''$ West a distance of 663.00 feet to a point on a curve to the right, said curve having a central angle of $28^{\circ} 57' 20''$ and a radius of 20.00 feet;
thence along said curve a distance of 10.11 feet to a point on a curve to the left, said curve having a central angle of $62^{\circ} 30' 46''$ and a radius of 60.00 feet;
thence along said curve a distance of 65.46 feet to a point;
thence North $89^{\circ} 43' 50''$ West a distance of 122.12 feet to a point;
thence South $00^{\circ} 03' 00''$ East a distance of 1195.02 feet to a point;
thence North $89^{\circ} 43' 50''$ West a distance of 198.01 feet to a point;
thence South $00^{\circ} 03' 00''$ East a distance of 1155.02 feet to a point on the South line of said Section 10;
thence North $89^{\circ} 43' 50''$ West along the South line of said Section 10 a distance of 450.01 feet to a point, said point being the Southeast Corner of TEMPE GARDENS NINETEEN, a subdivision of record in the office of the County Recorder of Maricopa County, Arizona, in Book 163 of Maps, page 24;
thence North $00^{\circ} 03' 00''$ West a distance of 785.01 feet to a point;
thence North $44^{\circ} 53' 24''$ West a distance of 70.91 feet to a point;
thence North $89^{\circ} 43' 50''$ West a distance of 928.02 feet to a point;
thence South $45^{\circ} 06' 35''$ West a distance of 70.51 feet to a point;
thence South $00^{\circ} 03' 00''$ East a distance of 785.01 feet to a point on the South line of said Section 10;
thence North $89^{\circ} 43' 50''$ West along the South line of said Section 10 a distance of 113.63 feet to the POINT OF BEGINNING;
EXCEPT rights-of-way for Rural Road and Elliot Road.

Parcel No. 2

That part of the Northwest Quarter of Section 10, Township 1 South, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at the West Quarter Corner of said Section 10;
thence North along the West line of said Section 10 a distance of 15.00 feet;
thence due East a distance of 827.00 feet to a point on the East right-of-way line of the Southern Pacific Railroad, said point being the TRUE POINT OF BEGINNING;
thence continue due East a distance of 802.30 feet to a point on a tangent curve to the left, said tangent curve having a central angle of $20^{\circ} 00' 00''$ and a radius of 1131.00 feet;
thence along said tangent curve a distance of 394.80 feet to a point;
thence North $70^{\circ} 00' 00''$ East a distance of 81.40 feet to a point of tangency with a curve to the right, said curve having a central angle of $15^{\circ} 52' 58''$ and a radius of 1161.00 feet;
thence along said curve to the right a distance of 321.23 feet to a point of intersection with the West right-of-way line of the Western Canal;
thence Northerly along the West right-of-way line of the said Western Canal the following bearings and distances;
 $21^{\circ} 58' 00''$ West a distance of 168.13 feet; thence North $12^{\circ} 06' 00''$ West a distance of 85.23 feet; thence North $02^{\circ} 26' 30''$ West a distance of 91.68 feet; thence North $05^{\circ} 08' 30''$ East a distance of 1640.41 feet.
thence, leaving the West right-of-way line of the Western Canal, North $84^{\circ} 51' 30''$ West a distance of 300.00 feet to a point;
thence South $05^{\circ} 08' 30''$ West a distance of 1030.00 feet to a point;
thence South $09^{\circ} 51' 12''$ East a distance of 580.00 feet to a point;
thence South $81^{\circ} 56' 01''$ West a distance of 1335.30 feet to a point on the East right-of-way line of the Southern Pacific Railroad;
thence Southerly along said East right-of-way line of the Southern Pacific Railroad to the TRUE POINT OF BEGINNING.

Parcel No. 3

That part of the North Half of Section 10, Township 1 South, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at the Center of said Section 10;
thence North $00^{\circ} 02' 00''$ East a distance of 180.20 feet along the West line of the Northeast Quarter of said Section 10 to the TRUE POINT OF BEGINNING;
thence continuing North $00^{\circ} 02' 00''$ East a distance of 132.20 feet to a point;
thence North $89^{\circ} 58' 00''$ West a distance of 161.00 feet to a point;
thence North $12^{\circ} 38' 15''$ West a distance of 201.51 feet to a point;
thence North $05^{\circ} 02' 21''$ East a distance of 2145.41 feet to a point on the North line of said Section 10;
thence North $89^{\circ} 57' 00''$ East along the North line of said Section 10 to the Northwest Corner of TEMPE GARDENS SIXTEEN, a subdivision of record in the office of the County Recorder of Maricopa County, Arizona, in Book 161 of Maps, page 48;
thence South $00^{\circ} 03' 00''$ East a distance of 1295.00 feet to a point;
thence South $45^{\circ} 03' 00''$ East a distance of 84.85 feet to a point;
thence North $89^{\circ} 57' 00''$ East a distance of 766.00 feet to a point;
thence North $44^{\circ} 57' 00''$ East a distance of 84.85 feet to a point;
thence North $00^{\circ} 03' 00''$ West a distance of 675.00 feet to a corner of PARK PREMIERE SOUTH TWO TOWNHOUSES, a subdivision of record in the office of the County Recorder of Maricopa County, Arizona, in Book 155 of Maps, page 7.

thence South $82^{\circ} 14' 15''$ East a distance of 302.80 feet to a point;
thence Southeasterly 179.31 feet along the arc of a curve whose central angle is $82^{\circ} 11' 15''$ and
whose radius point bears South $07^{\circ} 45' 45''$ West 125.00 feet;
thence South $00^{\circ} 03' 00''$ East a distance of 1405.00 feet to a point;
thence South $45^{\circ} 03' 00''$ East a distance of 84.85 feet to a point;
thence North $89^{\circ} 57' 00''$ East a distance of 95.00 feet to a point;
thence South $00^{\circ} 03' 00''$ East a distance of 205.00 feet to a point;
thence South $39^{\circ} 26' 31''$ East a distance of 66.16 feet to a corner of TEMPE GARDENS FIF-
TEEN, a subdivision of record in the office of the County Recorder of Maricopa County, Ari-
zona, in Book 155 of Maps, Page 50;
thence South $89^{\circ} 39' 40''$ West a distance of 506.90 feet to a point;
thence North $00^{\circ} 00' 30''$ West a distance of 50.00 feet to a point;
thence South $89^{\circ} 37' 51''$ West a distance of 1321.91 feet to the TRUE POINT OF BEGIN-
NING;
EXCEPT right-of-way for Guadalupe Road.

SHORT HISTORY OF CITY OF TEMPE MUNICIPAL PROPERTY CORPORATION

TAKEN FROM CORPORATE MINUTE BOOKS

Pre-organization Meeting was held on March 11, 1968. Present were Elmer Bradley, Mayor, and some members of the City Council, Ken McDonald, City Manager, David Merkel, City Attorney, William G. Barks, Douglas N. MacArthur, J. E. Refsnes, F. H. Rosenfeld and J. C. Wesley. The minutes recite that Tempe needed a new City Hall and a new library. The City could not finance by traditional means (City bonds) because of constitutional debt limitation (4% of assessed value of property in the City), so the meeting reviewed an alternative method recently approved by the Arizona Supreme Court of financing through bonds issued by a nonprofit corporation and sale of the facilities from the corporation to the City, the bonds being secured by excise taxes imposed and otherwise received by the City.

The first directors and officers were:

William G. Barks, Director and President
Dr. Lee P. Thompson, Director and Vice President
Dr. Merwin Deever, Director and Vice President
Dr. Joseph C. Shabacker, Director and Secretary
Dr. Mervin Jackson, Director and Treasurer
David R. Merkel, Esq., Assistant Secretary

March 13, 1968 – Articles of Incorporation were filed and Certificate of Incorporation was issued by the Arizona Corporation Commission.

September 25, 1968 – Organization Meeting. The following persons were added to the Board of Directors: Mary Lou Pierce, John Curry and Dr. Richard Flynn.

<u>Date</u>	<u>Bonds Issued</u>	<u>Interest Rate</u>	<u>Project</u>
1-15-70	\$2,500,000	7.1592%	City Hall
3-12-70	\$1,650,000	6.4582%	Library and Cultural Ctr.
6-8-72	\$4,300,000	5.25%	Refunding (saved \$2.4 mil.)

May 15, 1973 – Dr. Jackson resigned; Dr. Flynn elected Treasurer.

<u>Date</u>	<u>Bonds Issued</u>	<u>Interest Rate</u>	<u>Project</u>
10-11-73	\$1,900,000	4.993855%	Ken McDonald Golf Course
1-23-75	\$ 850,000	5.376388%	Solid Waste Equipment
<u>10-13-76</u>	Upon death of John Curry, Board reduced to 6 members.		
3-20-80	(\$16,835,000) (Not accepted)	10.2%	(Water Treatment Plant)
3-25-80	\$16,835,000	10.46%	Water Treatment Plant
<u>Late Spring, 1980</u>	Death of Dr. Deever – Board reduced to 5 members.		
<u>10-23-81</u>	Wm. Barks moved to Telluride, CO, and resigned. Board reduced to 4 members.		
<u>10-12-82</u>	Dr. Lee Thompson elected President.		
9-26-84	\$30,500,000	6.5% (est.) (variable rate [lower floater] Actual rate - 5.3% Saved \$10 million	Refunded 1973 and 1980 Bonds, built Police and Courts Building, parking garage and improvements to City Hall.
<u>10-21-86</u>	M. L. Pierce absent - her chair declared vacant due to absences.		
<u>1-6-87</u>	Drs. Lo Piano and Teague elected to the Board, bringing membership to five (5).		
8-1-92	\$1,400,000	6.05%	Irrigation system, Ken McDonald Golf Course.
9-23-93	\$16,665,000	4.026%	Refunded 1984 Bonds, (saved about \$300,000)
<u>11-15-99</u>	Dr. Flynn resigned – Dr. Teague elected Treasurer; Dr. Lo Piano elected Vice President.		
<u>8-23-00</u>	Elected Linda Spears to Board of Directors.		

- 10-29-01 Dr. Thompson died in the Spring of 2001, leaving the Board with (4) members. On this date Dr. Schabacker was elected President.
- 11-14-05 Elected Pat Hatton and Carol Smith to the Board, raising membership to six (6). Elected Pat Hatton as Secretary.
- 7-1-07 \$140,000 final maturity of the 1992 Golf Course Irrigation System Bonds matured and paid, leaving **no debt outstanding**.
- 7-30-07 Carol Smith died, reducing Board to five (5) members.
- Total bonds issued and paid** **\$76,600,000**